GOVERNMENT OF INDIA
POWER
LOK SABHA

STARRED QUESTION NO:316
ANSWERED ON:16.04.2010
CAP ON SUPPLY OF FREE POWER
Shetkar Shri Suresh Kumar

Will the Minister of POWER be pleased to state:

(a) whether the Government proposes to put a cap on the supply of free power to the States from the power projects;

(b) if so, the details thereof;

(c) whether the views of the State Governments, private companies and industries have been taken in this regard; and

(d) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF STARRED QUESTION NO. 316 TO BE ANSWERED IN THE LOK SABHA ON 16.04.2010 REGARDING CAP ON SUPPLY OF FREE POWER.

(a) to (d): No, Madam. At present there is no proposal to put a cap on supply of free power to the host States from the Hydro Power Project Developers as envisaged in the Hydro Policy and the National Tariff Policy. There is no provision for allocation of free power from Thermal Power Projects.

State Governments and other stakeholders were consulted in the year 2008 before finalising the Hydro Policy.

Presently, 12% free power is provided to the host State Govt. by the Hydro Project Developer. This has been supplemented by an additional 1% free power for a Local Area Development Fund, aimed at providing a regular stream of revenue for income generation and welfare schemes, creation of additional infrastructure and common facilities etc. on a sustained and continued basis over the life of the project. It has been recommended that the host state governments would also provide a matching 1% from their share of 12% free power towards this corpus.

Hydro Policy also provides that energy corresponding to 100 units of electricity to be provided free of cost every month to every Project Affected Family notified by the State Government to be offered through the concerned distribution licensee in the designated resettlement area/ projects area for a period of ten years from the date of commissioning`.